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**SENIOR CRYPTOLOGIC
EXECUTIVE SERVICE**

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PREFACE

Legislation establishing the Senior Cryptologic Executive Service (SCES) was recently introduced in Congress. Assuming passage of the legislation, those eligible will be asked whether or not they wish to become members of the SCES. A period of ninety days will be allowed for making this decision. To help make this decision, those eligible for membership will be given very specific information about their membership in the SCES, and will also be informed of the policies that the Agency has developed for operating the SCES.

The SCES is a new personnel system that will permit a greater flexibility to compensate people commensurate with their responsibility and demonstrated performance, and will make available to them new and profitable benefits.

I hope that those of you who are eligible will become charter members of the SCES and join me in making the service a viable and mutually beneficial system.



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TABLE OF CONTENTS

1	The Senior Cryptologic Executive Service
2	NSA's Entry Into the Executive Service
3	Selection Criteria for SCES Positions
4	Opportunities for Increased Compensation
5	Performance Awards
6	Appraising SCES Performance
7	Other SCES Benefits
8	Protection Against Arbitrary Actions
9	Conversion Options
10	Some Considerations about Joining the SCES
13	Development for and within the Senior Cryptologic Service
14	Retirement

The Senior Cryptologic Executive Service

The SCES is a new personnel system for the civilian men and women at the top levels of the National Security Agency. The SCES, patterned after the Senior Executive Service, will be implemented in the near future. The SCES covers positions which are classifiable at GG-16/17/18 or STB equivalent, and Executive levels IV and V.

Upon enactment of the legislation there will be a 90-day period during which present incumbents of these positions will have to decide whether or not to join the service. At that time, each individual will be given very specific information on a) the type of position the individual is being offered, b) the pay rate that the Agency proposes for the position offered, c) the policies that NSA has adopted for operating the SCES, and d) the status of those who decline membership in the SCES.

NSA's Entry Into the Executive Service

On 13 October 1978, President Carter signed into law the Civil Service Reform Act of 1978 (PL 95-454). The law is designed to improve government efficiency and to balance management authority with employee protections. NSA is supportive of the motivations for the Act and normally would have embraced many of its major programs. Because of the special character of the workforce and the sensitive nature of the Agency's mission, NSA requested and was granted an exemption from portions of the act, as were other intelligence agencies. Even though exempted from part of the law, an NSA task force examined the law for possible application to the Agency. Two major programs of the new law are dedicated to motivating good management and rewarding performance and merit rather than tenure. The consensus of the task force was that the two programs, the Merit Pay system and the Senior Executive Service (SES), merited further study for Agency application.

It was decided that an SES-type program would be beneficial to the Agency. By virtue of the exemption from the law, NSA was excluded from some provisions of the Reform Act. In order to enjoy the benefits of SES and to be competitive with the rest of the Federal Service, legislation has been introduced which would enable the SCES to be established within NSA. The SCES will be comparable to the Senior Executive Service as established in Title IV of the Civil Service Reform Act of 1978.

Selection Criteria For SCES Positions

Key Component Chiefs, with the assistance of Agency job classifiers, are reviewing and validating potential SCES positions. The criteria applied in identifying SCES positions require that a present or prospective senior executive incumbent must be responsible for:

- a. directing the work of an organizational unit;
- b. the accountability for the success of one or more specific programs or projects;
- c. monitoring progress toward organizational goals and periodical evaluation and adjustments to such goals;
- d. supervising the work of employees other than personal assistants; or,
- e. otherwise exercising important policy-making, policy-determining, or other executive functions.

Following this review and validation, the proposed SCES positions will be given to the Director for final determination.

Opportunities For Increased Compensation

Base Pay

There will be no grades in the SCES. Pay rates will be determined by the Director, within limits set by the President, and in most cases there will be a correlation between basic salary rate and level of responsibility.

With implementation of the SCES, the following six pay categories and rates* will be in effect: ES1 - \$47,889; ES2 - \$49,449; ES3 - \$51,164; ES4 - \$52,884; ES5 - \$54,662; and ES6 - \$56,500. The lowest Executive Service (ES) rate equals the first step of GG-16 and the highest equals the rate for Executive Level IV. An individual may be converted to an ES rate which is less than his/her current payable salary.

If an executive elects to join the SCES during the conversion period, his/her SCES ES rate will never be reduced below the STB/GGC salary rate at time of entry. Individuals will not have this guarantee if they join the SCES after the conversion period.

SCES base pay may be increased to any ES rate once per year, but may be lowered only one rate per year. Salary rates in the SCES pay category may be increased to correspond with comparability increases allowable to the General Schedule (GS/GG) levels.

*Pay rates for ES 3-5 are limited to \$50,112.50 (Executive Level V). ES-6 is limited to \$52,750 (Executive Level IV).

Performance Awards

If one becomes an SCES member and is rated successful or better, he/she may receive, in addition to base pay, a lump sum performance award (bonus) of up to 20% of his/her rate of basic pay. The award would be recommended by an immediate supervisor, reviewed as required with final approval by the Director, NSA. Award levels in the SCES would be 10%, 15%, and 20% of base pay. The total number of SCES performance awards granted in any fiscal year may not exceed 50% of the total number of SCES positions authorized in the Agency. An individual may receive only one such award in any fiscal year, but top performers could conceivably receive an award every year.

SCES members whose performance is exceptional may, in addition, be awarded one of two Presidential ranks—Meritorious Executive or Distinguished Executive. During any fiscal year, the Meritorious rank may be awarded to not more than 5% of the total number of authorized SCES members. It carries with it a lump sum payment of \$10,000. The Distinguished rank may be awarded to not more than 1% of the total number of assigned SCES members during any fiscal year, and carries with it a lump sum payment of \$20,000. An individual awarded one of the above ranks shall not be entitled to be awarded that rank again during the following four fiscal years. Monies received as a result of Meritorious and/or Distinguished rank awards and from performance awards will not be used in the computation of retirement pay. The aggregate amount that an SCES member could be paid during any fiscal year as a result of base pay and performance awards may not exceed the salary for positions at Level I of the Executive Schedule. Bonus and rank awards will be processed as follows:

a. The Director will decide bonus and rank awards for all DD's, AD's, IG, and GC.

b. The Civilian Executive Selection and Development Board will function as a Performance Review Board and recommend to the Director bonus and rank awards for Key Component Deputies and Chiefs one level below Key Component (includes Field and Activity Chiefs).

c. Key Component Chiefs will establish Key Component level Performance Review Boards and recommend all other SCES bonus awards to the Director, through DDM.

The Director of Civilian Personnel will establish the mechanisms to ensure consistency among the various Board activities.

Appraising SCES Performance

Under SCES, performance goals will be established annually for all executives. The goal setting process will be a collaborative effort between the SCES member and his/her immediate supervisor, and will include both organizational and personal objectives. Legislated areas for measurement are productivity, quality of work, timeliness of performance, cost efficiency, and progress in meeting affirmative action goals.

The assessment of progress in obtaining the established goals will be made initially by one's supervisor, subject to an evaluation by a Performance Review Board, comprised of a majority of SCES members. SCES members may also have their performance appraisal reviewed by anyone in the management chain higher than the immediate supervisor. One also has an opportunity to present to the board a written response to the supervisor's initial appraisal.

In assessing SCES performance, the Performance Review Board will review material from a number of sources, in addition to the supervisor's appraisal. In some cases, information may also be obtained from peers or others able to attest to an individual's performance.

The performance appraisal will comprise five ratings: Exceptional, Excellent, Successful, Minimally Satisfactory, and Unsatisfactory. An overall Successful rating or above, and individual duties evaluated at no less than Successful, indicate eligibility for performance awards; a Minimally Satisfactory rating or lower, will indicate a need for a corrective action. Failure to improve would cause removal from the SCES. An Unsatisfactory rating requires an SCES individual to be reassigned to another position within the SCES or removed immediately; receipt of a Minimally Satisfactory rating entitles an SCES member to a year in which to show improvement. Two Unsatisfactory ratings within five years, or two, less than Successful ratings within three years will require removal from SCES. An individual removed from the SCES may elect voluntary retirement if eligible or will be reassigned to a position at no less than a GG-15. The SCES salary rate, which was in effect at the time of removal from the SCES, will be permanently retained.

Other SCES Benefits

An SCES member is eligible for continuing development opportunities.

After two years as an SCES member, one is eligible for a sabbatical of eleven months if he/she has at least seven years of Federal service at the supergrade or equivalent level and is not eligible for optional retirement.

There will be no limitation on the accrual of annual leave. This will have a cash value upon leaving Government service.

Protection Against Arbitrary Actions

Members of the SCES are entitled to a number of protections against retaliatory actions.

Pay

SCES members must be notified at least 15 days in advance if pay is to be reduced.

SCES salary rates may not be reduced more than once per fiscal year and no more than one rate at a time.

The salary of charter members of the SCES may never be reduced below the rate of basic pay in effect upon conversion to SCES.

Performance

The Performance Board which reviews SCES performance must have an SCES majority.

The performance appraisal must be fully documented, and SCES members may respond to it in writing before a final decision is made.

The Director of Civilian Personnel will monitor the performance evaluation system.

Reassignment

SCES members cannot be reassigned to a position for which they are not qualified.

An SCES member must receive notice at least 15 days in advance of assignment to another SCES position in the Agency.

SCES members cannot be involuntarily reassigned within 120 days after the appointment of a new Agency Director.

If an SCES member is removed from the SCES for performance reasons, he/she cannot be placed in a position below GG-15, nor can his/her salary be reduced below the last SCES salary rate which was in effect at the time of removal from the SCES.

If one is removed from the SCES for less than fully successful performance after completing 25 years of service or after becoming 50 years of age and completing 20 years of service, he/she is eligible for an annuity.

Conversion Options

For incumbent executives in SCES positions, entry into the SCES is voluntary. An executive who elects to join will not have to serve an SCES probationary period. An executive who declines conversion will remain in his/her current grade and will not be eligible for promotion while occupying any SCES position.

If You Choose Not To Join

Should one decide not to join the SCES within the 90-day conversion period, one may apply for admission at a later date. However, one would be subject to three requirements if application for membership is at a later date:

- a. would have to be selected through merit competition,
- b. qualifications would have to be certified by the Civilian Executive Selection and Development Board, and
- c. would have to serve a one-year probation period following appointment.

Some Considerations about Joining the SCES

Following are comparisons of employment conditions for those who convert and those who do not:

SCES Members

Will be offered an SES pay rate. This cannot carry a salary less than one's current payable rate. Will be offered an SCES rate which carries a salary at least as high as would be received by remaining in the General Schedule and waiting for the salary ceiling to rise. The SCES ceiling will always be higher than the GG ceiling because SCES is tied to Executive Level IV.

The SCES salary rate to which one is assigned can be raised or lowered only once a year, but when comparability increases are authorized in the dollar value attached to the rate, the increase in salary does not count as a change.

Salary can be raised any number of rates at one time; it can be lowered only one rate. (A reduction in rate would still usually entail an absolute salary increase as long as there was a general comparability increase that year.)

Will not receive step increases based on time in grade.

Will be eligible for a bonus of up to 20% of rate of basic pay. Bonuses are lump-sum payments not subject to the general salary ceiling.

Will be eligible for the rank of Meritorious or Distinguished Executive. Presidential ranks which carry monetary values of \$10,000 and \$20,000 respectively. These are lump-sum payments, not subject to the general salary ceiling. An outstanding executive could receive three each of these awards during a 15-year SCES career. Over a five-year period about 30% of the career executives could receive one of these ranks.

Non-SCES Members

Will retain present salary and can receive step increases subject to the Executive Level V ceiling. The pay ceiling will always be lower than SCES.

Will receive comparability increases whenever authorized.

Will continue to move periodically to a higher step rate, although in the majority of cases the increase will be a "paper" one, and the actual salary will be frozen.

SCES Members

Can in any one year receive total dollar compensation equivalent to the salary payable to a Cabinet member.

May accumulate annual leave without limit. This, of course, has a cash value upon leaving Government.

After two years as an SCES member, one may be eligible for a sabbatical of 11 months. (One must have had a total of seven years at the supergrade level and must not be eligible for optional retirement.)

Non-SCES Members

For supergrades, the maximum compensation is equal to that of Executive Level V.

Will continue to have to "use or lose" annual leave in excess of 30 days (or your personal leave ceiling, if above 30 days).

No sabbaticals are available.

Accountability/Removal

Goals will be set and one's performance on meeting them will be evaluated.

If one is unsuccessful or consistently marginally satisfactory, there will be guaranteed fallback to a position no lower than GG-15 with permanent retention of SCES salary. In some cases one would be eligible to elect discontinued service retirement in lieu of fallback.

Goals will be set and one's performance on meeting them will be evaluated.

For inadequate performance, the Agency may initiate adverse action procedures based on the documentation of one's failure to meet goals. One would have no fallback or pay retention and would not be eligible for discontinued service retirement.

Appeals

An alleged discriminatory personnel action may be appealed through EEO channels.

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Reassignment/Transfer/Promotion/Demotion

Cannot be reassigned to a position for which he/she is not qualified, but may be assigned within the Agency to any SCES position for which he/she is qualified including a position in a different geographic location.

Cannot be involuntarily reassigned within the Agency for 120 days after appointment of a new Agency Director.

Cannot be reassigned to a position for which he/she is not qualified, but may at any time be reassigned within the Agency to any SCES position for which they are qualified. The GG grade will be retained regardless of the level of responsibility of the position (no promotion, no demotion).

Can be reassigned at any time.

SCES Members

May accept a Presidential appointment and carry SCES career status, salary, and benefits with them. One has guaranteed fallback into SCES.

Non-SCES Members

No promotion.

May be demoted to a lower level GG position by adverse action procedures.

**Development for and within the Senior
Cryptologic Service**

The Director of Civilian Personnel will establish programs for the systematic development of candidates for the SCES. Programs will also be established for the continuing development and enhancement of incumbent senior executives.

Retirement

Under SCES, retirement annuity will continue to be computed on the high three years of base pay with no change in computation method. Monies earned from either performance awards or the two Presidential ranks will not figure in the computation of retirement pay.

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REMARKS

The attached was received from [redacted]
 I've sent a copy to C/SIS through DD/P&E.

STATINTL

Some significant differences from our SIS system. incidentally, will you ever support the idea of getting rid of the "80 hour use or lose" feature of our system?

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
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